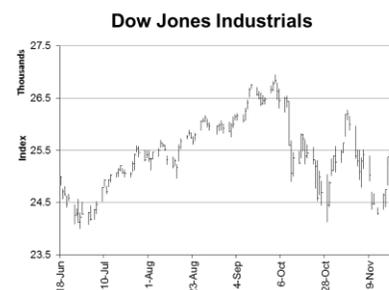




Daily Market Comments for Thursday, December 6, 2018 by International Food Products Corporation

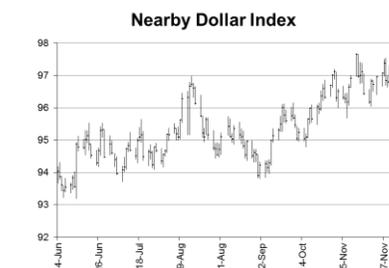
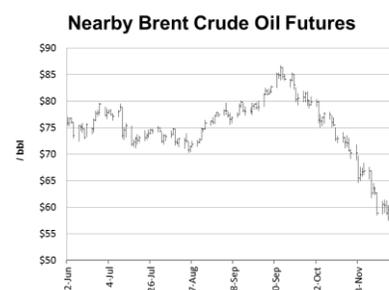
Macroeconomic News & Weather

- U.S. equities are under pressure in the pre-market due to arrest of the Chinese executive in Canada for violations of the sanctions on Iran.
- Oil prices fell 3% today after Saudi Arabia's energy minister said that a cut of 1 million barrels per day would be enough for OPEC and its allied oil producers. Saudi Arabia has been leading calls for the group to trim output. For additional details, click [HERE](#).
- Charts at right summarize recent, key economic data.



Vegetable Oil – Soybean oil futures are down 20 points.

- There was a bit more optimism on China trade with positive comments from China officials that they would be working toward a deal over the 90 days. Chatter continues that they may soon step-in for as much as 5 mmt for state reserves. More on the China situation, click [HERE](#).
- Argentina reached an agreement with China for China to begin to import significant quantities of soybean oil when Argentina's new crop is available in March.
- A grain company executive stated that Brazil, which accounts for some 7 percent of the world's grain output, has potential to expand arable land for agriculture on an estimated 43 million hectares (106 mil acres) in the vast central Cerrado region. For additional details, click [HERE](#).
- The weather in South America is nearly ideal for the developing soybean crop. Brazil's Farm Union, CNA, reported that this year's soybean output could be 5% higher than last year.



Price Outlook: All about how the trade negotiations go with China.

Wheat – Futures are down 6 cents and are 10 cents from contract lows.

- Reports that Egypt is having problems getting letters of credit for wheat imports puts that countries imports in question.
- StatsCanada will release its end-of-season crop estimates later today. The wet harvest has traders anxious to see the final crop size.

Price Outlook: Prices to continue to trade in a narrow range.

Cocoa- futures are unchanged, this morning.

- Technical traders note that the rally at the end of November did not hold and the downtrend continues. Yesterday's trading pushed prices to lows not seen since October 11.
- Weather remains very favorable for the final stages of the cocoa harvest in W. Africa.

Price Outlook: U.S. values to hold near present prices.